

BILL # SB 1627

TITLE: homeless pupils; transportation support level

SPONSOR: Johnson

STATUS: As Amended by Senate K12ED

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FISCAL ANALYSIS

Description

The bill increases the Transportation Support Level (TSL) of a school district that has one or more homeless shelters located within its boundaries by the actual cost of contracting for transportation services for homeless pupils to and from school in the current year.

Estimated Impact

The bill is estimated to increase General Fund costs by \$250,000 to \$500,000 in FY 2008.

Analysis

Limited data obtained through phone calls and web-based sources suggest that roughly 1,000 school age children in Arizona are housed in homeless shelters on any given day. Actual transportation costs for these pupils are not known because school districts typically do not track those costs separately. Public school pupils statewide, however, currently generate an average of about \$250 in transportation funding per pupil under the Basic State Aid funding formula. If the actual cost of transporting pupils in homeless shelters likewise averaged \$250 per pupil, the bill would increase state costs by approximately \$250,000 (1,000 estimated homeless shelter pupils X \$250 average transportation cost = \$250,000). (Homeless pupils currently generate an unknown amount of transportation funding through the Basic State Aid formula, but the bill would not deduct those monies from new funding provided by the bill. Instead, it would simply increase a district's current transportation formula funding, which is based on route miles rather than actual costs, by the actual cost of transporting pupils from homeless shelters.)

Transportation costs for pupils living in homeless shelters, however, might be higher than \$250 per pupil on average because school districts sometimes transport homeless pupils back to the school that they attended before they became homeless, which could be relatively far from the shelter or in another district. If this and other unique factors regarding homeless pupil transportation caused their transportation costs to be double (for example) of the \$250 per pupil statewide average, the estimated cost of the bill would instead be \$500,000 (1,000 homeless shelter pupils X \$500 average transportation cost = \$500,000).

Local Government Impact

Although the bill would increase state costs by an estimated \$250,000 to \$500,000, it would not increase overall net (state + local) transportation funding to most affected districts. Instead it would just shift more of their current transportation costs to the state. This is because A.R.S. § 15-946(B) does not allow a school district to increase its grand total transportation spending (which in statute is referred to as its "Transportation Revenue Control Limit," or "TRCL") if its TRCL currently exceeds 120% of the amount of transportation funding that it receives under the Basic State Aid formula (which in statute is called its "Transportation Support Level," or "TSL"). (Districts can fund the difference between their TRCL and TSL with local property taxes.) Most school districts in Maricopa County that have homeless shelters within their boundaries currently have a TRCL that exceeds their TSL by more than 120% and therefore would not receive a net transportation funding increase under the bill. This would not be the case for Tucson Unified in Pima County, however, which is the district that likely serves most of Pima County's homeless shelter pupils. That district currently has a TRCL that is within 120% of its TSL and therefore *would* receive a net funding increase under the bill.